

## **The complaint**

Miss B complains about the way that Tesco Personal Finance PLC trading as Tesco Bank dealt with her concerns over a duplicate debit on her credit card account.

## **What happened**

In 2021, a business I will refer to as C, mistakenly placed two orders for the same product and charged Miss B two identical amounts of around £547 each. She asked C to cancel one of the orders and assumed that this had been done correctly. However, in 2023, Miss B noticed that C had not given her a refund. C apologised, said it would refund the duplicate charge and offered to pay compensation.

Miss B contacted Tesco Bank as she wanted to find out how much interest it had charged in relation to the duplicate debit. Miss B also wanted Tesco Bank to suspend interest on her account while it investigated. Miss B was unhappy that Tesco Bank could not give her details of the interest and would not suspend interest. Miss B asked to speak with a manager but matters dragged on.

Tesco Bank said the duplicate charge was the fault of C but offered Miss B £50 to apologise for the way it treated her when she complained. Tesco Bank gave her an interest calculation and offered to freeze interest on the account for one month as a gesture of goodwill.

Miss B wasn't sure that the interest calculation was correct and asked for a second opinion. Tesco Bank then said it should not have supplied an interest calculation and suggested Miss B take independent advice.

Miss B wants someone to be responsible for the interest that has accumulated on the account.

Our investigator upheld the complaint saying they thought if Tesco Bank had provided Miss B with clearer information, she would have spent less time on the phone trying to sort things out. Our investigator recommended that Tesco Bank pay a further £100 on top of the £50 already paid.

Our investigator explained that as Tesco Bank allocates credits to the highest interest balance first, the duplicate debit was cleared by early April 2021. So, Miss B would have paid just under £6 interest. Our investigator thought that as Tesco Bank had refunded almost £15 interest for Miss B's March 2021 statement, this was a fair response.

Miss B wanted to clarify who was responsible for the interest on her account for the period March 2021 to May 2024. Miss B asked that Tesco Bank supply details of the interest that had accumulated.

Our investigator explained to Miss B that the duplicate debit had already been repaid back in 2021. Miss B said that she was not aware that C had charged her credit card twice, so she did not repay the duplicate debit and continued to use her credit card not knowing the transaction had taken place and was accumulating interest. Miss B wanted Tesco Bank to

supply an interest figure from March 2021 to the present date. Miss B said she can't clear the outstanding debt with Tesco Bank and is concerned that the debt continues to increase.

Our investigator has told Miss B that they think Tesco Bank has given her reasonable information about the interest it charged on the duplicate debit and that it's not for Tesco Bank to supply theoretical information on interest that has been charged on the duplicate debit to date.

As Miss B remains happy with the lack of support shown by Tesco Bank, the complaint has come to me to make a final decision.

### **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I am sorry to hear about the difficulties that Miss B has faced and am pleased to see that Tesco Bank agrees with our investigator's recommendation to pay a further £100 compensation. As there doesn't seem to be any dispute that Tesco Bank could have managed things better than it did, my decision focusses on whether our investigator's recommendation goes far enough to put things right.

I first want to address something which Miss B raised when she brought her complaint to us. Miss B mentioned Tesco Bank's joint responsibility under section 75 of the Consumer Credit Act 1974. It is true that under section 75, lenders such as Tesco Bank, can (in certain circumstances) be held equally responsible when a consumer uses their credit card to make a purchase. For example, if a product is faulty or the retailer fails to deliver what they have promised.

In Miss B's case, there was not a problem with the item which she bought from C, so I am not persuaded that section 75 would apply. Instead, I think that if Miss B had asked Tesco Bank to help recover the duplicate payment, it would have used the chargeback process.

Chargebacks can be used to reclaim money paid to a retailer in circumstances which include if a customer is charged twice by mistake. But it would only have allowed Miss B to reclaim the value of the purchase – not any interest. As C has now refunded Miss B for the duplicate debit, it would not be possible to make a chargeback claim against Tesco Bank. Particularly as any chargeback would now be outside the usual timescale laid down by the credit card scheme. I just thought it might be worth clarifying this with Miss B.

I agree with our investigator that as C made the mistake with the duplicate transaction, Tesco Bank is not responsible for any additional interest that it may have charged. Although Miss B would like Tesco Bank to supply a calculation of interest charged to the present date due to the duplicate debit, I don't require it to do so. This is because any calculation supplied by Tesco Bank would be a hypothetical one as the duplicate debit was cleared in April 2021. And Tesco Bank has already supplied an interest calculation based on the daily average interest which Miss B is free to share with C as part of any discussion she has with it about compensation.

I appreciate Miss B's point that the payments she made to her credit card account didn't include the duplicate debit of £547.50. But I don't think this means it remained outstanding and unpaid to the present date. This is because credit card providers, such as Tesco Bank, allocate customers' payments to the highest interest balances first in date order. So, payments received from Miss B would have been applied against the duplicate debit back in 2021. I also think that as Miss B would have received monthly statements from Tesco Bank,

she should have been aware of the interest charges on her account and could have queried these at some point over the last couple of years. Tesco Bank has already refunded double the interest that would have been charged on the duplicate debit. I think this was fair as it was not Tesco Bank's mistake in the first place.

To date, Tesco Bank has paid £50 compensation to apologise for failing to raise Miss B's complaint when it spoke with her in early March 2024. Our investigator has recommended that it pay a further £100. An award totalling £150 sits within the range of award we might make where there has been some inconvenience and frustration and the problem has taken a reasonable effort to resolve. I think this is a fair way to put things right for Miss B. Our approach to awards like this is on our website.

Finally, if Miss B is struggling to repay the outstanding balance due to her financial circumstances, I suggest that she speak with Tesco Bank. If Miss B does this, I remind Tesco Bank of its duty to treat her fairly.

### **Putting things right**

To put things right, Tesco Bank should pay Miss B £100 in addition to the £50 it has already paid.

### **My final decision**

My final decision is that I uphold this complaint. In full and final settlement, I require Tesco Personal Finance PLC trading as Tesco Bank to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 13 August 2024.

Gemma Bowen  
**Ombudsman**